



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Next Century Fund  
Mary T. Fauth, Treasurer  
116 South Royal Street  
Alexandria, VA 22314

JAN 24 2017

RE: MUR 6892  
Next Century Fund *et al.*

Dear Ms. Fauth:

On October 30, 2014, the Federal Election Commission ("Commission") notified Next Century Fund and you, in your official capacity as treasurer (collectively the "Committee"), of a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended. On January 13, 2017, based upon information contained in the complaint, as well as information supplied by you, the Commission found no reason to believe that the Committee violated 52 U.S.C. § 30116(a)(2)(A). Accordingly, the Commission closed its file in this matter on January 13, 2017.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). The Factual and Legal Analysis, which more fully explains the Commission's findings, is enclosed.

If you have any questions, please contact Ruth Heilizer, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Lisa J. Stevenson  
Acting General Counsel

BY: Jeff S. Jordan  
Assistant General Counsel  
Complaints Examination and  
Legal Administration

Enclosure  
Factual and Legal Analysis

## FEDERAL ELECTION COMMISSION

### FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: The Freedom Project and Lisa Lisker as treasurer  
Next Century Fund and Mary T. Fauth as treasurer  
Majority Committee PAC and Jill Thomson as treasurer

#### I. INTRODUCTION

This matter was generated by a Complaint filed on October 27, 2014, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations by Respondents. It was scored as a relatively low-rated matter under the Enforcement Priority System, a system by which the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue.

The Complaint in this matter alleges that The Freedom Project and Lisa Lisker in her official capacity as treasurer ("Freedom Project"), Next Century Fund and Mary T. Fauth in her official capacity as treasurer ("Next Century Fund"), and Majority Committee PAC and Jill Thomson in her official capacity as treasurer ("Majority Committee PAC") violated provisions of the Act and Commission regulations. The Complaint includes the allegation that The Freedom Project, Next Century Fund, and Majority Committee PAC each made a \$5,000 excessive contribution to Walker 4 NC and Collin McMichael in his official capacity as treasurer (the "Committee"). Although the contributions were designated for debt retirement, the Complaint asserts that the Committee did not report any debt to which these contributions could be applied.

In response, the Committee observes that Mark Walker was a candidate in both the primary and runoff elections, held on May 6, 2014, and July 15, 2014, respectively, for the Republican nomination in North Carolina's Sixth Congressional District. According to the

1 Committee, in the fifteen days between the close of the July Quarterly reporting period and the  
2 date of the runoff election, it incurred debts to vendors in connection with the runoff. The  
3 Committee, however, paid the vendors by September 30, 2014, the end of the reporting period,  
4 so there was no runoff debt to report. With respect to the primary election, the Committee states  
5 that it “unexpectedly received a late invoice from a vendor” for services performed during the  
6 primary election. Therefore, the Committee claims that it was proper to solicit contributions to  
7 retire its primary and runoff election debt. Freedom Project, Next Century Fund, and Majority  
8 Committee PAC all responded in the same manner as to this issue.

9 A contribution includes “any gift, subscription, loan, advance, or deposit of money or  
10 anything of value.” 52 U.S.C. § 30101(8)(A)(i).

11 In 2014, multicandidate political committees, such as Freedom Project, Next Century  
12 Fund, and Majority Committee PAC, could not make a contribution to a candidate that exceeded  
13 \$5,000 per election. 52 U.S.C. § 30116(a)(1)(A),(2)(A). A primary election, runoff election,  
14 and general election are each considered separate “elections” under the Act, and the contribution  
15 limits are applied separately with respect to each election. 52 U.S.C. §§ 30101(1)(A) and  
16 30116(a)(6). Candidate committees are also prohibited from accepting excessive contributions.  
17 52 U.S.C. § 30116(f).

18 If a committee has net debts outstanding after an election, the campaign may accept  
19 contributions after the election to retire the debts, provided that the contribution is designated for  
20 that election, the contribution does not exceed the contributor’s limit for the designated election,  
21 and the campaign has net debts outstanding for the designated election on the day it receives the  
22 contribution. 11 C.F.R. §§ 110.1(b)(3)(i) and (iii).

1           Since it appears that the Committee had sufficient primary and runoff election debt to  
2 accept debt retirement contributions, the Commission finds no reason to believe that Freedom  
3 Project, Next Century Fund, and Majority Committee PAC violated 52 U.S.C. § 30116(a)(2)(A)  
4 by making excessive contributions to the Committee.

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